GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3861
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Black Money Stashed Abroad
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Will the Minister of FINANCE be pleased to state:

(a) the steps taken by the Government to bring back the black money stashed by Indian's abroad during 2014-15 and 2015-16, year-wise; and
(b) the current status of ongoing investigations against Indians who hold bank accounts in foreign countries including those whose names appear on the two lists each contains the details of 627 and 1195 Indians as reported in the media?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a): The Government has taken several measures to effectively tackle the issue of black money, particularly black money stashed away abroad. Such measures include policy-level initiatives, effective enforcement actions on the ground, putting in place robust legislative and administrative frameworks, systems and processes with due focus on capacity building, data integration and mining of available information through increasing use of information technology. Major initiatives since Financial Year 2014-15 onwards in this regard include:
(i) Constitution of the Special Investigation Team (SIT) on Black Money under Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court,
(ii) Constitution of Multi-Agency Group (MAG) consisting of officers of Central Board of Direct Taxes (CBDT), Reserve Bank of India (RBI), Enforcement Directorate (ED) and Financial Intelligence Unit (FIU) for investigation of recent revelations in Panama paper leaks,
(iii) Proactive engagement with foreign governments to facilitate and enhance the exchange of information under Double Taxation Avoidance Agreements (DTAAs)/Tax Information Exchange Agreements (TIEAs)/Multilateral Conventions and furthering global efforts to combat tax evasion/black money, inter alia, by joining the Multilateral Competent Authority Agreement in respect of Automatic Exchange of Information (AEOI) and having information sharing arrangement with USA under its Foreign Account Tax Compliance Act (FATCA),
(iv) Enactment of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015' to specifically and more effectively deal with the issue of black money stashed away abroad,
(v) Enabling attachment and confiscation of property equivalent in value held within the country where the property/proceeds of crime is taken or held outside the country by amending the Prevention of Money-laundering Act, 2002 through the Finance Act, 2015, and
(vi) According high priority to the cases involving black money stashed away abroad for investigation and other follow-up actions including prosecutions in appropriate cases.

(b): Information on 628 Indian persons holding bank accounts in HSBC bank in Switzerland was received from the Government of France under Double Taxation Avoidance Convention (DTAC) between India and France. As a result of systematic investigations in these cases, undisclosed income of about Rs.8400 crore was brought to tax till 31st December 2016 in 409 cases(which included protective assessments in some cases). Besides, concealment penalty of Rs.1287 crore was levied in 161 cases and 190 criminal prosecution complaints were filed in 77 cases till 31st December, 2016.
Further, investigations into information pertaining to about 700 Indian persons allegedly linked to offshore entities based in no tax or low tax jurisdictions put into public domain by the International Consortium of Investigative Journalists (ICIJ) have led to detection of more than Rs.8500 crore of credits in undisclosed foreign accounts. 66 prosecution complaints in 30 such cases have been filed before criminal courts.